THE CONNECTION

Inside:

If you have questions or comments on any information contained in *The Connection*, please contact Angela Knight at (360) 664-7654 or email: angela.knight@ofm.wa.gov.

SAAM…A New Chapter

Chapter 12 – Transportation will be issued effective April 15, 2004. It contains new statewide requirements to promote state-employed driver and vehicle safety.

Also included in this chapter are existing motor vehicle policies previously located in *Chapter 70 – Other Administrative Regulations*, Sections 70.30 and 70.40.

Key policies within *Chapter 12* include:

- ◆ A basic driving safety program for *all* state-employed drivers.
- ◆ Additional driving safety program for specified drivers.
- ◆ Maintenance and repair of state-owned or leased vehicles.
- ◆ Procedures for reporting accidents.
- ◆ Insurance requirements and coverage for state employed-drivers.
- ◆ Acquisition, rental, and disposal of motor vehicles.

Financial Baseline and Benchmark Project Progress

In January 2004, the Office of Financial Management (OFM) began the Financial Baseline and Benchmark Project to measure the effects of change in the state's financial processes between 2004 and 2006/07.

OFM has teamed up with the Governor's Office, Department of Personnel (DOP) and consultants from Mercer Inc. and Sierra Systems to complete a baseline assessment of the state's current financial processes.

The objective is to capture performance metrics for current financial processes and to later measure ongoing improvements in those processes.

This will also provide OFM with recommendations to achieve short- and long-term process improvements.

Comments from the Assistant Director

"Folks, the personnel reform train is moving!"

Sadie Rodriguez-Hawkins

Stay Informed, Get Involved!

Personnel system reform is a big job, and state government is making real progress through an enterprise approach called:

Washington Works:
A Great Workforce, Getting Better.

This effort involves numerous agencies, coordinated through the Office of Financial Management.

Most recently, the competitive contracting rules were adopted and collective bargaining is underway.

New draft civil service rules are rolled out each month for feedback through June 2004. Comment on the draft Performance Management and Disciplinary Action rules this month through April 13.

Stay informed on what's happening through *"In the Works,"* the Washington Works e-newsletter and sign up for the HR2005 email list to get the latest news sent directly to you!

Spring is here and with it comes the joy of waking up to the splendor of sunshine. Our joy is further amplified when we gaze upon the beauty of our beloved Northwest. It seems as though in a single night everything erupted into riotous bloom.

The changing of seasons is a wonderful thing: it is a reminder of the cycles of life, it provides transition points, and it serves as a reminder that nothing ever stays the same. We truly are creatures of change living in a sea of change.

In the same way that I rejoice in the coming of spring, I also marvel at the resilience of the many individuals who are deeply involved in Washington Works, the coordinated effort to implement the Personnel Services Reform Act (PSRA). These are people with a vision, people who are hardworking, and people who know what they must do and that they cannot do it alone.

If we have not done so already, we too must engage in their vision, their hard work and their collaboration. We cannot afford to stand by and wait for things to happen; we must be part of the solution. Otherwise, we too may wake up one day in the near future and find ourselves staring at a sea of change that may not be as beautiful as our Northwest on a glorious spring day.

Folks, the personnel reform train is moving! We are at this very moment, right on the cusp of moving from "asking" to "acting." These are not my words; I took them directly from our Deputy Director, Wolfgang Opitz.

To date, the collective bargaining negotiations have begun, the rules for competitive contracting are finalized, civil service reform rules have been drafted and are being made available for review; and the Human Resource Management System is at the stage of freezing requirements and developing plans to train the people who will use the new system.

If I could share only one piece of advice, it would be that we remain optimistic, that we continue to see the glass as half full instead of half empty. Give the proposed processes a chance. Instead of saying, "we can't," try asking, "how can we?" If you have ideas, please share them; we want to hear all viewpoints.

My hope is that by this time next year, we too may be basking in the success of all our efforts and enjoying a new springtime in our lives. After all, what is change if not merely another opportunity to test our mettle?

Financial Baseline and Benchmark . . .

The findings from this study will be used to:

- Support strategic planning for future statewide financial systems.
- Identify processes that are overly complex, cumbersome, or duplicative.
- Compare state financial processes with national benchmarks and best practices.
- Identify and prioritize opportunities for improving financial processes.
- Quantify process improvements made between 2004 and 2006/07.

Deputy directors, financial officers and agency coordinators from twelve participating agencies attended a project kick-off meeting in late January.

The agency coordinators helped modify a survey tool (called the Operations Scanner) used to collect the baseline information on financial processes.

The survey was administered to participating agencies via the Internet between February 17 and March 3. More than 700 employees completed the survey – a 99% participation rate.

Thank you to the agency coordinators who made the survey possible: Aaron Butcher (OFM), Bill Chase (DOP), Angie Edgin (LNI), Don Goldsby (Printer), Shelly Hagen (DOR), Anita Kendall (DOC), Sam Knutson (DOL), Jim Martin (ATG), Helen Martz (GA), Les Myhre (ESD), Denise Paulsen (DOC), Angie Peterson (WSP), and Chuck Smith (DIS).

Mercer Inc. and Sierra Systems will analyze the survey results, conduct interviews or focus groups to gather additional information, and compile the findings.

A final report on findings and recommendations will be presented in June 2004.

For more information, please contact Kathy Rosmond, OFM Project Manager, at kathy.rosmond@ofm.wa.gov / 360-664-7771.

You can also visit the website at: http://www.ofm.wa.gov/accounting/benchmark/index.htm.

Cash Management Improvement!

Each December, the Office of Financial Management submits to the U.S. Department of the Treasury the Cash Management Improvement Act (CMIA) Annual Report of federal and state interest liabilities for the state's previous fiscal year.

The CMIA governs cash draws for federal grants and imposes a federal interest liability if federal funds are not available for the state to draw when due, and a state interest liability if the state draws funds before they are due.

We have noted a dramatic improvement in the cash management practices of state and federal agencies in the past few years.

We would like to thank agency personnel for the improvements they've made in their federal cash management practices. We would also like to thank the agency personnel who participated in the process of compiling the information for this report.

For further information, please contact Carolyn Stephens at (360) 664-7674 / carolyn.stephens@ofm.wa.gov.

SAAM…

Beginning April 15, refer to SAAM *Chapter 12 - Transportation* (http://www.ofm.wa.gov/policy.12.htm).

For more information on loss prevention, refer to the OFM Risk Management Division website at http://www.ofm.wa.gov/rmd/loss/passenger.htm. Questions should be directed to Jolene Bellows at jolene.bellows@ofm.wa.gov / (360) 902-7321.

Other SAAM changes

The policies regarding meals with meetings, formerly part of *Chapter 10 - Travel,* have been consolidated and relocated to *Chapter 70 – Other Administrative Regulations*, **new** Section 70.15, entitled "Meals with Meetings."

Year-end is Fast Approaching!

State Reporting - CAFR

Now is a good time to start preparation for closing Fiscal Year 2004. We encourage you to take advantage of the training classes we offer.

Classes

We offer three types of classes. You only need to take one, depending upon your level of involvement in closing the year.

Fiscal Year-End - Theory Class – 4 Hours

Intended for new personnel who will not play an active role in the year-end process, but would like to learn more about it. The focus of this class is on fiscal year-end policies and procedures.

Fiscal Year-End Workshop – 7 Hours

Intended for personnel who will be directly involved in preparing year-end accounting entries and/or disclosure forms. The focus of this workshop is on preparing reconciliations, adjusting entries and actual "hands-on" computer time completing disclosure forms.

Fiscal Year-End Update Class – 2 Hours

Intended for personnel who have previously prepared year-end adjusting entries and completed disclosure forms. Discussions will include fiscal year-end closing dates, an overview of fiscal year-end transaction codes and proper completion of disclosure forms.

For dates, locations and registration, please refer to the OFM Accounting Spring Training Catalog at http://www.ofm.wa.gov/training.htm.

Important CAFR Cut-Off Dates

Date	Activity
July 30	Phase I (Agency Accruals)
September 14	Phase II (Agency Adjustments)
September 22	State & Federal Disclosure Forms Due
October 12	Phase III (SAO Audit)

For additional information, please contact the Accounting Consultant assigned to your agency.

Federal Reporting

September 22, 2004 is the due date for submittal of FY 2004 federal financial information.

Due to the changes in revenue source codes effective July 1, 2003, reporting the expenditures of federal awards may take additional analysis this year.

Following are some of those changes:

	Old Rev. Code	New Rev. Code
Federal Revenue Distributions	03 03	03 98
Federal Revenue Non-assistance	03 05 / 03 07	03 55
Homeland Security	None	03 97

Additional minor changes may be made after the federal government publishes its annual update to the *Compliance Supplement* (anticipated later this spring).

State agencies and institutions will again be required to utilize the electronic reporting module provided by OFM.

Need training on completing the reporting requirements? No problem.

Federal Financial Assistance Workshops are scheduled for:

Location	Date
Olympia	May 17 & 27
Pullman	June 15
Seattle	June 17

To register and/or obtain a description of the *Federal Financial Assistance Workshop*, please refer to the OFM Accounting Spring Training Catalog at http://www.ofm.wa.gov/training.htm.

If you have any questions regarding this workshop, please contact Norm Johnson at norm.johnson@ofm.wa.gov / (360) 664-7676.

GOOD NEWS FOR INTER-AGENCY PAYMENT (IAP) USERS!

Does your agency receive IAPs that are entered manually into AFRS? A new feature called the IAP Receipt Batch has been designed to eliminate the manual keying of receipt information into AFRS.

HOW DOES THE PROCESS WORK?

- Agency enters information in a new table TM.C (IAP Receipt Batch Control). Batch type, statewide vendor number (SWV) and biennium are the minimum fields required for the table. AFRS coding information can also be entered if agencies consistently receive IAP payments using the same coding.

- AFRS will create an IAP payment receipt batch each time a payment is processed for the above SWV number. The batch created will be displayed in the IN.3 (Batch Header Summary). Batch will either be on a HOLD (H) or ERROR (E) status.

- One batch will be generated per Agency/SWV number (i.e. all payments for the SWV number from all agencies will be combined into one batch). Agencies can then edit the batch and release it to be processed in AFRS.

- Transactions generated will contain the same information in the IAP email including current document number, fund, amount, etc. plus any information contained in the TM.C table.

- Batch number will be generated by AFRS, but can be changed by the users.

- Batch will display an IA as origin code (OC) to identify it as an AFRS generated IAP receipt batch.

This new feature is scheduled to be released spring 2004. Please direct all questions to Marilei Amurao-Tabile at marilei@ofm.wa.gov or (360) 664-7761.

IRS Classes – Calendar Year 2004

The following Internal Revenue Service (IRS) training classes will be available during Calendar Year 2004:

Topic	Date	Location
Independent Contractor vs. Employee	April 14	Olympia
Federal & State Employer Tax Procedures	May 12	Olympia
Taxable Fringe Benefits General Government Session	October 7	Olympia
Forms 1098/1099 Reporting and Backup Withholding	October 20	Olympia

This training will provide attendees with the most current IRS/Social Security regulations on the noted subjects. Agency personnel who have federal reporting responsibility are encouraged to attend.

On-line registration for these classes is available at our OFM website: http://www.ofm.wa.gov/training.htm. If enrollment assistance is needed, please contact our Training Line at 360-725-5280.

Questions or suggestions regarding course content should be directed to Kimberly Holtz at kimberly.holtz@ofm.wa.gov / or 360-664-7777.

Check Out

TVS !

An improved version of the Travel Voucher System (TVS) was released in January 2004.

If you have any questions about the new version, please contact Owen Barbeau at owen.barbeau@ofm.wa.gov / (360) 664-7766.

We invite those of you who have not experienced the benefits of TVS to visit our website for an overview of this dynamic system at: http://www.ofm.wa.govaccounting/statewide.htm#accounting.

Proof of Concept – Crystal Enterprise 10 Update

In December 2003, Crystal Enterprise 10 was selected for final evaluation as the common reporting tool for Washington State's Enterprise Financial and Administrative systems users.

In January 2004, the Department of Personnel (DOP), General Administration (GA), Office of Financial Management (OFM) and business partners Business Objects (Crystal Decisions), Microsoft and Accenture (the SAP implementer) conducted an extensive hands-on evaluation of Crystal Enterprise through a joint Proof of Concept (POC) Project. Over 60 customers from various agencies around the state participated to test the functions and features of the new system.

The basic operations such as viewing, scheduling, printing and exporting were tested using both newly created reports and some older ones that were migrated from previous systems. Customers also provided valuable feedback about the new system and the use of combined reporting from DOP and OFM data.

The team focused on testing the following elements:

- performance (good system response during peak reporting cycles),
- scalability (the ability to expand system capacity as utilization expands),
- fault tolerance (ensuring a graceful response to hardware or software failure), and
- optimum usability (minimizing support costs while maximizing the useful life of the system).

The tests concluded on March 31st and the test results and recommendations will be finalized over the next several weeks.

Next Steps…

Following the POC evaluation, business plans and deployment strategies will be developed by DOP / Accenture for HRMS reporting and by OFM for upgrading the FASTRACK reporting. In addition, DOP, OFM, GA, DIS, Ecology and Labor & Industries are working with Business Objects to establish a favorable enterprise licensing agreement for the Crystal Enterprise tool.

For more information, please contact the Project Managers – Ann Bruner at ann.bruner@ofm.wa.gov / (360) 664-7711 or Debbie Kendall at DebbieK@dop.wa.gov / (360) 664-6771.

CAMS/FIS/AR Feasibility Study Update

As reported in the Winter 2004 *Connection*, Statewide Financial Systems (SWFS) is working on a study to: (1) examine the feasibility of combining and replacing the Capital Asset Management System (CAMS) and the Facilities Inventory System (FIS) and (2) examine alternatives for replacing the Accounts Receivable System (AR).

SWFS selected Sierra Systems to help conduct the Feasibility Study. In late January, the project team began reviewing and developing requirements documents for both CAMS/FIS and AR by using existing documentation and input from customer workshops. The next step is to evaluate the alternatives by comparing how well each of them meets the requirements.

The project will continue until approximately July 2004. If you would like more information about the CAMS/FIS feasibility study, please contact wayne.johns@ofm.wa.gov / (360) 664-7693. Information about the AR feasibility study can be obtained from art.overman@ofm.wa.gov / (360) 725-5271.

Who's New In Accounting?
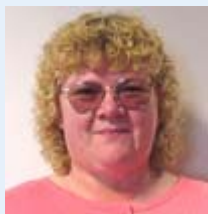
Juta Childers

Juta Childers joined Statewide Financial Systems on November 1, 2003. She works on the Mainframe project team within the QA/Testing group. She is located in the Point Plaza West Building in Tumwater. Juta came to us from DOP/HRISD where she was the Testing Lead for the Personnel & Payroll systems. When she isn't working she enjoys her family, traveling, bowling, and growing roses. Juta can be reached at juta.childers@ofm.wa.gov / (360) 664-7781.

Steve Nielson

Steve Nielson joined Statewide Accounting as a Statewide Financial Consultant on April 1. His is actually a repeat performance. Steve worked for this unit prior to his most recent job in the budget office of the Attorney General's Office. In addition to providing general consulting to a set of assigned agencies, Steve will be sharing the payroll policy duties. Steve and his wife, Janice have two children – David, who is 15 and Stephanie, age 13. Steve enjoys spending time with his family and camping. He is also very involved in his church. Steve can be reached at steve.nielson@ofm.wa.gov / (360) 664-7681.

Robin Spisak

Robin Spisak joined Statewide Financial Systems on February 11, 2004. He works on the BASS project testing team within the QA/Testing group. Robin formerly worked for Deptartment of Licensing (DOL), for 14 years before leaving for a stint in private industry where he was a testing professional for the past 4 years. He is located in the IBM Building. When not working, Robin enjoys remodeling his house, working in the yard and spending time in the outdoors with his dog 'Wendy'. Robin can be reached at robin.spisak@ofm.wa.gov / (360) 725-5277.

Jayda Williams

Jayda Williams joined the Support Staff on February 2, 2004. She is an Office Assistant Senior supporting the Statewide Accounting Consultants. Jayda brings experience from working at DOL, the University of Washington, and The Evergreen State College (TESC). When she is not working, Jayda is a full-time student at TESC pursuing a degree in Liberal Arts. She enjoys traveling, reading, and spending time with family and friends. Jayda can be reached at jayda.williams@ofm.wa.gov / (360) 664-7652.

Who's Moved In Accounting?

Allen Schmidt

On February 2, 2004, Allen Schmidt assumed a new role as Chief Architect and Manager of the Statewide Financial Systems Web Development staff. He has relocated to Point Plaza West. Allen can be reached at allen.schmidt@ofm.wa.gov / (360) 664-7732.
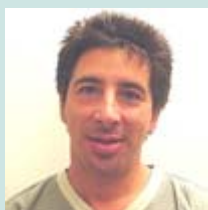
Shaun Wilson

On March 15, 2004, Shaun Wilson moved from the BASS project team to the TVS/AR/Financial Toolbox team within the QA Testing group. He is now located at Point Plaza West. Shaun can be reached at shaun.wilson@ofm.wa.gov / (360) 664-7697.

Activity Budgeting for 2005-07 Budget Development

The Office of Financial Management (OFM) has developed new budget instructions and made Budget Development system (BDS) modifications and improvements to support new activity budgeting requirements for agency 2005-07 budget development.

High-level *budget instruction changes* to support activity budgeting include:
- Priorities of Government (POG) approach will be more integrated with other budget development tasks.
- Agencies will prepare an activity view of the budget in addition to the traditional increment view (minimum requirements are maintenance level total by activity and performance level increments by activity).
- Performance measures are now associated with activities in the system, rather than agency goals.

Part 2 Budget Instructions for the 2005-07 budget will be finalized in early April. Please refer to the published instructions at http://www.ofm.wa.gov/budget/instructions/operating.htm for more detail on budget submittal requirements.

BDS modifications to support activity budgeting include:
- Activity Description component integrated with BDS to capture activity descriptive information.
- Performance Measure component integrated with BDS through the Activity Description to support linking of performance measures to agency activities rather than goals.
- Easy assignment of decision package estimate columns to code agency activities as well as programs.
- Additional reports available to support development and submittal of activity-based budget.

Q & A Workshop Review

Three workshops held in February and March gave agency budget staff an opportunity to experience the system changes first-hand. The goal of the workshops was to get agencies thinking about what the instruction and system changes mean to their internal budgeting processes.

Three key "decision points" were highlighted as areas for process analysis:
- What current biennium (CB) data source should be used for budget development?
  - CB from AFRS by program (but this includes no activity detail)? **OR**
  - CB from OFM by Activity (which takes advantage of the activity recast of the budget, but only provides program level data for agencies appropriated by program)?
- How should the required Agency Budget Levels by Program report be produced, assuming the agency is not appropriated by program?
  - Build the budget by program, as well as activity, in BDS to use the BDS report capability? **OR**
  - Develop the budget in BDS only by activity and produce the Program Level report outside of BDS?
- How should agencies meet the OFM requirement that the maintenance level total be submitted by activity?
  - Recast each carry-forward and maintenance level increment by activity?
  - Recast the maintenance level total by activity?
  - Use some combination of these approaches?

Each of these decision points requires analysis of which alternative is appropriate given agency data. We encourage agencies to contact the BASS Help Line at (360) 725-5278 to explore the options that make the most sense for their situation.

The workshop presentation, including slides on some of the pros and cons of each of the options for the above decision points, is available through the BASS Listserv Archives at http://listserv.wa.gov/cgi-bin/wa?A2=ind0403&L=bass&F=&S=&P=570.

Training Announcement

BDS training begins April 12, 2004. Please go to http://www.ofm.wa.gov/training.htm for class descriptions, dates, and registration.

New AFRS Batch Error Correction Process

A new process was developed to replace the existing batch Error Correction process. Transactions entered in AFRS must pass batch edits before they are posted. Errors generated during the nightly AFRS processing (NAPS) are placed in a file that is re-processed during the following nightly cycle. The current Error Correction process lacks internal controls, allowing users to enter corrections that are not edited, resulting in additional errors that delay the processing of critical transactions.

Listed below are the highlights of the changes to batch error correction:

1. Errors generated by NAPS will be batched and placed in the AFRS IN.3 screen with an "E" (Error) status. All error correction screens are eliminated (IN.4, IN.5 and IN.6).

2. Header information will be based on the batch ID of the records in error. Records will **not** be re-sequenced, but the batch header will correctly reflect the record count and amount of the transactions.

3. Users will not be able to change batch header ID information (batch date, type and number) on ER batches.

4. Users can edit the batch. Corrections/changes to the transactions are subject to on-line edit process.

5. Security for error correction is eliminated. Users with transaction input security can edit ER batches.

6. The auto-release function that currently releases all errors every night will not be applied to the ER batches. Users will have to release as they currently do with all batches in the IN.3 screen.

7. The current AFRS application security release capability level 3 will allow a user to release a batch that contains errors. Correct transactions in the batch will be posted during NAPS. Any records found to be in error will be sent to the IN.3 the following day. This process will continue until all errors have been corrected.

8. AFRS Error Report (DWP8002X) will continue to be generated.

As a bonus, we have added the following features to the IN.3 screen:

1. Batch headers with an E (ERROR) and H (HOLD) status are highlighted for ease of identifying batches that need attention.
2. Additional option to re-sort the IN.3 screen into batch type order using a new function "T".

The new process is scheduled to be in production in spring 2004. A Listserv message will be sent out when the new process is in place…so watch for it soon! If you have any questions, please call the AFRS Helpline at (360) 664-7725.